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CONTACT:

JEFFREY P. DOWNIN  
(above address and  
telephone)

CHAMBER TO ASSUME TOURISM OPERATION

It was announced at a 10:30 press conference this morning that the Greater Lynchburg Chamber of Commerce will assume the role of lead agency for tourism promotion in the Lynchburg area on January 1. Mayor Julian Adams and Chamber President-Elect Ron Lovelace announced that the Chamber and City had reached general agreement on a new approach to tourism promotion where the Chamber will contract with the City to operate the downtown Visitors' Center and coordinate all marketing, advertising and promotion activities.

Under the new structure current City employees working in the area of tourism promotion will become Chamber employees. The Chamber will lease and operate the City's downtown Visitors' Center. Working with a jointly appointed Tourism Council the Chamber will have administrative charge of all promotional activities.

The City will contract with the Chamber at approximately the same funding level as is currently being spent for the City department. The Chamber will contribute significant staff and other in-kind services as well as an initial \$10,000 matching fund to encourage more tourism advertising by the local hospitality industry.



"The Chamber is looking forward to this new challenge", said Executive Vice President Jeff Downin. "We will continue to work closely with the City while encouraging more private sector participation in our area's tourism promotion initiatives. We believe the Chamber is well equipped to move this effort forward."

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# **BRIEF OVERVIEW OF CITY/CHAMBER TOURISM ARRANGEMENT**

## **How will the tourism effort be structured?**

The Greater Lynchburg Chamber of Commerce will establish a special council within its organization devoted solely to tourism development in the Greater Lynchburg area. The Council will consist of 12 individuals for staggered three-year terms—six appointed by the city and six by the Chamber. Each entity will appoint a minimum of two hoteliers and one restaurant representative. Emphasis will be placed on involving other travel related professionals including representatives of attractions, travel agents, airlines, etc.

The Council will be the governing body of the tourism operation working with the Chamber and the City. The Chamber board will contract with City Council for services rendered and have final authority for administration of the program. The Chamber will delegate authority over matters such as ad design and placement, marketing, brochure design and other program-related issues to the Travel Council. The Chamber and Travel Council will make an annual report to City Council. The budget of the Chamber Travel Council will be approved annually by both the City and the Chamber.

In addition, the Chamber will form a tourism advisory committee to actively involve a broad cross section of those interested in the hospitality industry. This advisory committee will work directly with the Travel Council and the Chamber.

Employees of this office will be employees of the Greater Lynchburg Chamber of Commerce and report to the Chamber's Executive Vice President. A minimum of two additional staff persons will be hired by the Chamber to support the tourism effort. The Chamber is open to this being individuals from the current city office. The Visitor's Center will continue to be operated at its current site and present staffing will be given first opportunity for continued employment (based on need). All staff will be eligible for the Chamber's insurance and retirement benefits and under the Chamber's personnel policies.

## **Funding**

It is proposed that the City initially fund the new tourism effort at the rate that it is presently spending for the City-only program. This will amount to approximately \$170,000.

In addition, the Chamber will commit to annual funding at the rate of \$10,000 which will be designated as matching funds for leveraging private participation in joint advertising efforts. A key advantage will be the Chamber's ability to leverage participation from the private sector outside of the City of Lynchburg. The Chamber will also commit services of the existing Chamber staff at a minimum level of 60 hours per week (annual value: \$38,588).

It is proposed that the City's funding be maintained at present levels which represents 20% of the revenue generated by the room tax for the City.

It is recommended that in future years the 20% base from existing tax revenues be maintained and that 50% of any growth in the revenue from the room tax be earmarked for the tourism promotion effort.

This will provide a direct investment—result relationship between the city's future expenditures on tourism and the effectiveness of the new program. This funding formula will be for an initial five year trial period.

The bottom line is that the impact of the City's contribution to travel promotion will be directly enhanced by the Chamber's private sector matching advertising program (\$20,000), the additional support of the Chamber's existing staff (annual value \$38,588) and the base economies realized by utilizing the Chamber's facility and equipment.

### **Advantages of This Approach**

1. Additional revenue through the direct Chamber contribution.
2. Extensive involvement by the private sector which will encourage greater cooperation in advertising, etc. And, as noted above, the "Greater Lynchburg" scope of the Chamber will simplify participation by businesses outside of the City.
3. The Chamber has excellent desk-top publishing and design capabilities. For example, this past year, layout and typeset for *Lynchburg Life* magazine was produced completely in-house. This will dramatically improve the tourism operations potential for design and producing its own advertising, printed materials, etc. Basically, everything but printing can be done in house.
4. Office overhead savings since the department will be able to utilize the Chamber's office equipment and facility.
5. Increased staff through the direct contribution of 60 hours per week by Chamber employees.
6. The Chamber's ability to approach tourism from a more regional aspect as the "Greater Lynchburg" Chamber. This will be done without jeopardizing the City of Lynchburg's position as the prime beneficiary of tourism promotion because it is home of the vast majority of hotels, restaurants, retail outlets, etc. in the area.
7. The Chamber has taken a lead role in promoting the Lynchburg: Sports Capital of Virginia Committee and has provided office space and support for its new part-time private contractor. The work of this new group is directly compatible with the tourism operation and being housed in the same facility will certainly be an asset.
8. This approach will not only allow greater participation from the hospitality industry but through the Chamber's involvement, the broader business community. This will create a true public/private cooperative approach to tourism promotion.
9. This arrangement will allow the City's economic development department to focus exclusively on its prime responsibility to attract and maintain major employers for the community.